



Director General Audit

AUDIT PLAN TEMPLATE

(YEAR)

DEPARTMENT OF AUDITOR GENERAL OF PAKISTAN

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AUDITOR GENERAL OF PAKISTAN

Vision:

A Model Supreme Audit Institution Adding Value to the National Resources.

Mission:

Serving the Nation by Promoting Accountability, Transparency and Good Governance in the Management and Use of Public Resources.

Core Values:

- 1. Integrity***
- 2. Quality***
- 3. Partnership***

This Audit Plan 2014-15 prepared and submitted to the Office of the Auditor General of Pakistan by;

(Name of Head of the Office)
Director General

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SECTION – I

STRATEGIC PLANNING

Mandate of the Directorate

Constitutional Mandate of Auditor General

Article 170 of the Constitution of Islamic Republic of Pakistan require the Auditor General of Pakistan

As per Auditor General of Pakistan Ordinance 2001 Auditor General is responsible to

Mandate of Director General Audit

Functional Jurisdiction

Director General Audit.....is a field audit office of the Department of Auditor General of Pakistan and has the mandate to conducts the audit of all departments and organizations under the control of and funded by the Government of which include authority or body, autonomous organizations, semiautonomous organizations, development projects, PSDP projects and foreign funded projects etc. (FAO to provide general functional area of the audit entities)

The details and total number of Auditee entities under the audit jurisdiction are at Annexure A. (The annexure should be in the following format given as example)

| S.No. | Organizations | PAO | No. of Formations |
|-------|---------------|-----|-------------------|
| | | | |
| | | | |
| | | | |
| | | | |

Types of Audits

The Directorate General Audit conducts the audit of following types:

- 1. Certification of Appropriation accounts and Financial Statements**
- 2. Compliance with Authority Audit**
- 3. Financial Attest Audit of Foreign Aided Projects**
- 4. Performance Audit**
- 5. Project Audit of PSDP**
- 6. Information System/ IT Audit**
- 7. Environmental Audit**
- 8. Special Studies / Special Audit**
- 9. Other/Forensic Audit**

Scope of Government Auditing

The scope of government auditing includes regularity and performance audit.

(ISSAI 100 para 39)

A) Regularity Audit embraces:

1. *Financial Attest Audits*

(a) Attestation of financial management of accountable entities, involving examination and evaluation of financial records and expression of opinions on financial statements;

(b) Attestation of financial management and administration of the government as a whole;

(c) Audit of financial systems and transactions including evaluation of compliance with applicable statutes and regulations;

2. *Compliance Audit*

Audit of compliance and legality of financial management and of accounting to which the audited entity follows rules, laws and regulation, policy, established codes, or agreed upon terms, such as the terms of a contract or the terms of a funding agreement)

(ISSAI 4100 para 2)

(d) Audit of internal controls and internal audit system;

(e) Audit of probity and propriety of the administrative decisions taken within the audited entity; and

(f) Reporting of any other matters arising from or relating to the audit that the SAI considers should be disclosed.

(ISSAI 100 para 39)

B) Performance Audit

Performance auditing is an independent, objective and reliable examination of wide range of activities of auditee entity whether undertakings, systems, operations, programs, activities or organization are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement.

(ISSAI 300 para 9)

Capacity Profile of the Directorate

Financial Resources

The Directorate General Audit was provided total budget of Rsunder various heads for the financial year 2013-2014. The amount of Rs.....of the budget was allocated for the audit activities which is% of the total budget allocation for 2013-14.

The estimated budget for the financial year 2014-1015 is Rs.....for the following activities;

Amount in Rupees

| Object head | Directorate General Audit | Budget allocation 2013-14 | Budget estimates 2014-15 |
|-------------|----------------------------|---------------------------|--------------------------|
| | Employees related expenses | | |
| | Operating expenses | | |
| | Physical assets | | |
| | Repairs and maintenance | | |
| | Others expenses | | |
| | Total | | |

Human Resources

The Directorate General Audit has total human recourse of which include total number of officers and staff as follows.

Director General

Director

Deputy Directors/ Audit Officers

Assistant Directors/ Assistant Audit Officers

Senior Auditors/ Junior Auditors

Total

Details of human resource grade wise are given in Annexure No-II

The audit in the field is conducted through (No. of)audit teams comprising Director/ Deputy Directors and Audit Officers.....Most of the members of audit teams have professional qualification and experience.

Details of academic strength of human resource at Annexure No-III

Expectation Analysis

Expectations

The audit is an important tool of accountability and plays pivotal role as deterrence, therefore, the expectations from audit are very high as follows;

(Following is for the sake of example)

1. Office of Auditor General of Pakistan (OAGP)

Office of Auditor General of Pakistan expects that the Directorate General Auditto;

1. Carry out the mandate of the office with desirable quality and within specified timelines.
2. Efficient and effective use of resources placed at the disposal of Directorate.
3. Carry out the audits identified in the strategic plan of the OAGP aligning with the goals of the OAGP.
4. Uphold integrity and professionalism.
5. Comply with OAGP Code of Ethics.
6. Report significant issues.

2. Public Accounts Committee(PAC)

Public Accounts Committee expects that Directorate General Audit to provide timely, reliable and quality audit findings about the financial and operational discipline, internal controls and management which would facilitate the public representatives to carry out the accountability process that provide the way for the good governance of the public organizations having weak financial and operational management.

3. Auditee Entity

The Auditee entities expect from the Directorate General Audit..... that;

- a. Competent and efficient audit officials carryout the audit work.
- b. Quality audit is carried out with minimum interference with the entity's activities and business.
- c. Value addition to the entity's operations by identifying critical risk areas and weaknesses in control systems and making recommendations for improvement.
- d. Provide assurance that DAC directives have been properly complied with.

4. Donors/Lenders

Presentation of certified accounts of foreign aided projects (FAP) as per their requirement (IPSAS compliant)

Consequential Challenges

Major Challenges that are faced by the Directorate General Audit..... are as follows:

(Following is for the sake of example)

1. The allocation of human and financial resources are not sufficient to meet the Audit mandate in view of growing government spending, complex operational and managerial activities and requirement of INTOSAI auditing standards.
2. The implementation of national network of core accounting systems and use of information technology by most auditee organizations require the expertise to use CAATs and conduct IT/IS audits.
3. Lack of technical assistance, guidance and motivation / incentive to carry out performance audit
4. Ensuring that suitable officials having expertise (qualification/experience) are provided and deployed for the field audits.
5. Tackling issues of backlog/pendency of audit reports and MFDAC (FAO to provide in the given format).

(FAOs to identify challenges arising from their specific expectation analysis as carried out in the foregoing. Above is for the sake of example only.)

Resource Analysis

(FAOs may add to the list.)

Human Resources Availability

Availability of adequate human resource measured in 'Person Days'.

1. Available working days
 - Total days of year = 365
 - Minus working and public holidays =
 - Available working days (05/06 working days a week)

(FAO to identify short or surplus resources w.r.t. work identified in Section II.)

2. Availability of officers and staff

Total number of officers available for audit work =

Total available mandays = Available working days X Officers / staff available for audit

Availability of Competence (qualification/experience/trainings)

The Directorate requires competent and committed officers and staff having relevant professional qualification and expertise to carry out the various types of audits. The qualification, experience and requirement of trainings for the officers and staff are given in detail in Annexure No.....

(FAO to identify expertise required for carrying out audit identified in section-II of the plan financial audits, performance audits, IT audits, any other.)

Financial Resources Availability

Availability of sufficient funds to match with the TA/DA and other costs of audit required for carrying out the planned audit work.

| Amount in Rupees | | |
|--|----------------------------------|---|
| | Funds requirement For 2013-14 | Estimated funds requirements 2014-15 |
| TA/DA | | |
| Other costs required for audit work | | |
| Total | | |

(FAO to comment on sufficiency of funds or otherwise)

Other Issues

1. Inadequate financial support
2. Frequent posting / transfer of trained staff
3. Inadequate hardware
4. Communication problems with the auditee.
5. Others

(FAO to identify the issues confronted for carrying out audit identified)

Planned Strategies

The Directorate has planned following strategies to meet the challenges faced in carrying out functional mandate;

1. Strategy to meet with the challenges
 - a. Prioritize audit focusing on critical inherent and high risk areas
 - b. Use of proper audit techniques and methodologies
 - c. Proper utilization of qualified human resource
 - d. Training Plans (FAO to give *training focuses and training requirement as Annexure-No....*)

- e. Strengthening quality assurance measures
- f. Improving DAC mechanism.
- g. Dealing with issues of pendency.
- h. Any other.

(FAO to identify the strategy to meet the challenges. The above are for sake of illustration)

2. SWOT Analysis

The Directorate has identified following strengths, weaknesses, opportunities and threats / challenges which can be used to prepare the strategy to meet the challenges.

(FAO to Identify using SWOT analysis techniques for completing this section)

- a. Strengths *(FAO to analyze your office strengths such as example)*
 - 1. Location
 - 2. Interaction with various functional systems and PAOs
 - 3. Staff trained in various types of audit
 - 4. Professionally qualified staff
 - 5. Any other

- b. Weaknesses *(FAO to analyze your office weaknesses such as;)*
 - 1. Insufficient number of audit teams
 - 2. Capacity building constraints
 - 3. Transfer / posting of officers and staff
 - 4. Financial constraints
 - 5. Lack of technical assistance
 - 6. Any other

- c. Opportunities *(FAO to analyze your office weaknesses such as;)*
 - 1. Programs
 - 2. Reforms
 - 3. Trainings
 - 4. Exposures
 - 5. Any other

- d. Challenges *(FAO to analyze your office weaknesses such as)*
 - 1. Expectations of government and parliament for auditors
 - 2. Audit of foreign aided projects
 - 3. New audit paradigm

4. **Adoption of International accounting and auditing standards.**
5. **Application of Financial Audit Manual and Performance Audit Manual**
6. **Integrity of auditors**
7. **Demand of Performance Audit and IS/IT Audit**
8. **Pending Audit and Inspection Reports and MFDFA**
9. **Any other**

3. QUALITY ASSURANCE

FAO to give details of steps taken to improve the quality of audit in the field, audit paras and audit reports

4. STRATEGY TO UTILIZE STRENGTHS

FAO to give strategy to use strengths to improve audit (for example availability of digital record and use of ACL and professionally qualified officers)

Details of skill deficit and areas requiring development are given in Annexure-IV

Section – II

Planning of Annual Audit Work

Execution Status of Previous Year Audit (----)

RECAP

a) Audits Performed

| | Planned Audits | Executed Audits | Amount Planned | Amount Audited | Planned Mandays | Mandays Utilized | Percentage Utilized |
|----------------------------------|----------------|-----------------|----------------|----------------|-----------------|------------------|---------------------|
| Financial Attest Audit | | | | | | | |
| Compliance Audit | | | | | | | |
| Thematic Audit | | | | | | | |
| Performance Audit | | | | | | | |
| FAP Audit | | | | | | | |
| Special Audit | | | | | | | |
| Special Assignments (NAB/Others) | | | | | | | |
| Total | | | | | | | |

b) Audits Planned But Not Performed in (Previous Year)

| Sr. No | Audit Category | Planned Amount | Planned Mandays | Reasons |
|--------|----------------------------------|----------------|-----------------|---------|
| 1. | Financial Attest Audits | | | |
| 2. | Compliance Audits | | | |
| 3. | Thematic audit | | | |
| 4. | Performance Audits | | | |
| 5. | FAP Audits | | | |
| 6. | IS Audit | | | |
| 7. | Special Audit | | | |
| 8. | Special Assignments (NAB/Others) | | | |
| | Total | | | |

c) Audits Conducted Outside Approved Plan (Previous Year)

| Audit Category | Amount audited | Mandays Utilized | Reasons to Audit Unapproved in Plan | Results of Audit /Achievements |
|-------------------------|----------------|------------------|-------------------------------------|--------------------------------|
| Financial Attest Audits | | | | |
| Compliance Audits | | | | |
| Thematic Audit | | | | |
| Performance Audits | | | | |
| FAP Audits | | | | |
| IS Audit | | | | |
| Special Assignments | | | | |
| Total | | | | |

Details and Justification to conduct each Audit outside the approved Audit Plan 2013-14
(FAO to give reason for conducting each unapproved audit)

The Audits as follows were conducted outside the approved Audit Plan 2013-14 due to the reason.....

Name of each organization audited, other related information regarding the auditee including budget, expenditure etc., results of audit and achievements.

(FAO to give details for each auditee)

Summary of Outcome of Audit Plan (Previous Year)

Total Number of Audit Paras

Total number of Audit Paras developed as a result of audit 2013-14 and total number of Audit Paras settled during discussion with management and DAC meetings;

| S. No. | Type of Audit | Total number of Audit Paras developed | Total number of Paras settled In discussion of AIR with management | Total number of Paras settled In DAC meetings | Total number of Paras printed In Audit Report | Total number of Paras Moved to MFDAC |
|--------|------------------------|---------------------------------------|--|---|---|--------------------------------------|
| 01 | Financial attest audit | | | | | |
| 02 | Compliance audit | | | | | |
| 03 | Thematic Audit | | | | | |
| 04 | IS Audit | | | | | |
| 05 | Special Audit | | | | | |
| 06 | Special Assignment | | | | | |
| 07 | MFDAC | | | | | |
| | Total | | | | | |

Summary of PAC Outcome (Previous Year)

Total number of Audit Paras

Status of total number of Audit Paras discussed in PACs meetings of each departments pertaining to each year, paras settled, paras deferred for action by executive /PAO, paras recommended for verification by audit and paras for recovery of amount;

| S. No. | Type of Audit | Year of Audit Report discussed | No. of paras & Amount settled | Para Deferred for action by PAO | Paras and amount directed for recovery | Paras for action by audit | Recovered amount verified by audit |
|--------|------------------------|--------------------------------|-------------------------------|---------------------------------|--|---------------------------|------------------------------------|
| 01 | Financial attest audit | | | | | | |
| 02 | Compliance audit | | | | | | |
| 03 | Thematic Audit | | | | | | |
| 04 | IS Audit | | | | | | |
| 05 | Special Audit | | | | | | |
| 06 | Special Assignment | | | | | | |
| 07 | MFDAC | | | | | | |
| | Total | | | | | | |

Audit Plan (Year)

Audit Plan Coverage (year)

| S. No. | Types Audit | Total No. of Formations | Number of Formations audited in (Previous Year) | Audit Plan (Year) No of Formations | Category of Auditee (A, B, C) |
|--------|--|-------------------------|---|------------------------------------|-------------------------------|
| 1. | Financial Attest Audit | | | | |
| 2. | Compliance Audit | | | | |
| 3. | Thematic Audit | | | | |
| 4. | Performance Audit | | | | |
| 5. | FAP Audit | | | | |
| 6. | IS Audit | | | | |
| 7. | Special Audit | | | | |
| 8. | Special Audit Assignments (NAB/Others) | | | | |
| | Total | | | | |

AUDITS PLAN (Year) - INDIVIDUAL AUDITS

1. Financial Attest Audits

(FAO to give following details of each auditee entity as follows)

1. Financial Attest Audit of the Accounts of (Name e.g Department or Industries)

| | | | | Rs. in million |
|--------|---------------------------------|--------------------------------|-----------------------|--------------------------|
| Sr. No | Auditable Expenditure Component | Financial Year (Previous Year) | Financial Year (Year) | Mandays allocation(year) |
| 1. | Pay and allowances | | | |
| 2. | Operational expenses | | | |
| 3. | Development expenses | | | |
| 4. | Revenue | | | |
| 5. | Assets | | | |
| | Total | | | |

(FAO to give details regarding each and every auditee entity)

Financial Attest Audits

2. Financial Attest of Foreign Aided Projects

1. Foreign Aided Project(FAO to give details about each FAP)

| Rs.in million | | | | | | |
|---------------|------------------|------------|-------------------|--------|----------|--------------------------|
| S. No. | Title of Project | PAO/ Deptt | Funding/ Donor | Amount | Man days | Donor Reporting due Date |
| 1 | Eg. TARP | FBR | World Bank | | | 31 Dec 09 |
| | | | | | | |

(FAO to give information in above format for each FAP separately)

2. Foreign Aided Project
3. Foreign Aided Project
4. Foreign Aided Project
5. Foreign Aided Project

Financial Attest Audits - Focus

Planned Financial Attest Audit (Year)Focuses:

(FAO to provide focus of financial attest audit. Following is for illustration purposes only)

- 1. Financial statements will be evaluated for adequacy against ‘Presentation and Disclosure’ requirements;**
- 2. Significant line items of financial statements are tested for following management assertions:**
 - Existence and occurrence
 - Completeness
 - Measurement
 - Regularity
- 3. Assessing Internal controls ;**
 - Inherent risk areas
 - Controls Managements
 - Existence of internal controls
 - Weakness of controls
 - Risk management

Financial Attest Audits

Resource Allocation and Scheduling

| Activities of audit | DG / Director Audit party | Person days | TA/DA (Rs 1000) | Start date | End date | % age |
|---|------------------------------|----------------|--------------------|---------------|-------------|-------|
| Audit Planning | | | | | | |
| Audit Execution | | | | | | |
| Audit Supervision | | | | | | |
| Evaluation of audit Findings | | | | | | |
| Reporting to Executive and PAC / DAC | | | | | | |
| Preparation of Draft Audit Report | | | | | | |
| Submission of Report for Quality Control | | | | | | |

| | | | | | | |
|---|--|--|--|--|--|--|
| Submission of Report for External Quality Assurance | | | | | | |
| Finalization of Report after QCC and QCR | | | | | | |
| Approval of Report by AGP | | | | | | |
| Printing of Audit Report | | | | | | |
| Submission of Report to the President/Governor | | | | | | |
| Total | | | | | | |

Financial Attest Audits

Summary

Rs in million

| Sr. No | No of Auditee Entities | Amount planned for audit | | | Start date | End date |
|--------|------------------------|--------------------------|-------------|------------------------|------------|----------|
| | | Revenue | Expenditure | Total Auditable Amount | | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| | Total | | | | | |

2. Compliance Audits/ Regularity Audits

(FAO to prepare following information for each and every auditee entity)

1. Entity: Name of Department (e.g Department of Industries)

Functions:

The Department of Industries is responsible for (give in brief introduction and functional activities)It has total budget allocation for financial year (Year). It hasno of subordinate , attached officesand development projects

Financial Size of Entity:

(Rs in millions)

| Financial Year | Non-development Expenditure | | Development Expenditure | Total Exp. | Revenue | Total Auditable Exp. | Mandays Allocated |
|-----------------|-----------------------------|------------|-------------------------|------------|---------|----------------------|-------------------|
| | Salary | Non-Salary | | | | | |
| (Previous Year) | | | | | | | |
| (Year) | | | | | | | |

Significant Risk Areas and Audit Objectives

FAO to Identify risk areas, critical controls and audit objectives for the audit of entity for each audit type separately keeping in view the public reporting, audit findings of previous years and media coverage.

- **Compliance audit**
- **Performance audit**
- **IS / IT audit if applicable**

Similar area should be treated under the same department.

FAO to prepare above information for each and every auditee entity

1. Entity:
2. Entity:
3. Entity:
4. Entity:
5. Entity:

Compliance Audits / Regularity Audits

Resource Allocation and Scheduling

| Activities of audit | DG / Director Audit party | Person days | TA/DA (Rs 1000) | Start date | End date | % age |
|---|------------------------------|----------------|--------------------|---------------|-------------|-------|
| Audit Planning | | | | | | |
| Audit Execution | | | | | | |
| Audit Supervision | | | | | | |
| Evaluation of audit Findings | | | | | | |
| Reporting to Executive and PAC / DAC | | | | | | |
| Preparation of Draft Audit Report | | | | | | |
| Submission of Report for Quality Control | | | | | | |
| Submission of Report for External Quality Assurance | | | | | | |
| Finalization of Report after QCC and QCR | | | | | | |
| Approval of Report by AGP | | | | | | |
| Printing of Audit Report | | | | | | |
| Submission of Report to the President /Governor | | | | | | |
| Total | | | | | | |

Compliance Audits / Regularity Audits

Summary of Audits

Rs in million

| Sr. No | Name of Organization | Amount planned for audit | | | | Start date | End date | |
|--------|----------------------|--------------------------|-----|-------|---------|------------|----------|------------------------|
| | | Expenditure | | Total | Revenue | | | Total Auditable outlay |
| | | Non dev | Dev | | | | | |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| | Total | | | | | | | |

3. Performance Audits

1. Project Name

Organization(eg. Department of Agriculture)

Reason for selection

The total estimated cost of the Project as per PC-I was Rs and Project was to be completed withinmonths. The Project was completed at a cost of Rs. In months. There was cost overrun of Rs. and time overrun ofmonths. Project envisaged benefitsfor the economic development of the country...

Financial outlay of *Project*:

(Rs in millions)

| Financial Year | Development Expenditure Plan | Development Expenditure Incurred | Mandays Allocated and dates for Audit | Audit Team |
|----------------|------------------------------|----------------------------------|---------------------------------------|------------|
| 2016-17 | | | | |
| 2017-18 | | | | |
| 2018-19 | | | | |
| 2019-20 | | | | |
| 2020-21 | | | | |
| | | | | |
| Total | | | | |

Significant Risk Areas and Audit Objectives

FAO to Identify risk areas, critical controls and audit objectives for the performance audit of project for each project separately keeping in view the public reporting, audit findings of previous years and media coverage and other sources .

(FAO to give information for each and every project in brief description, objectives, activities and completion status.....)

2. Project Name:

3. Project Name:

Performance Audits

Resource Allocation and Scheduling

| Activities of audit | DG / Director Audit party | Person days | TA/DA (Rs 1000) | Start date | End date | % age |
|---|------------------------------|----------------|--------------------|---------------|-------------|-------|
| Audit Planning | | | | | | |
| Audit Execution | | | | | | |
| Audit Supervision | | | | | | |
| Evaluation of audit Findings | | | | | | |
| Reporting to Executive and PAC / DAC | | | | | | |
| Preparation of Draft Audit Report | | | | | | |
| Submission of Report for Quality Control | | | | | | |
| Submission of Report for External Quality Assurance | | | | | | |
| Finalization of Report after QCC and QCR | | | | | | |
| Approval of Report by AGP | | | | | | |
| Printing of Audit Report | | | | | | |
| Submission of Report to the President /Governor | | | | | | |
| Total | | | | | | |

Performance Audits

Summary of Performance Audits

| Sr. No | Name of Projects and Auditee | Objectives & Scope | Audit Start date | End date | % age |
|--------|------------------------------|--------------------|------------------|----------|-------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

4. Information System /IT Audits

Rs. in million

| Sl. No. | Organization / PAO | IT system used for activity | DG / Director Audit Team | Mandays allocation 2014-15 |
|---------|--------------------|-----------------------------|--------------------------|----------------------------|
| 1. | | Pay and allowances | | |
| 2. | | Operational | | |
| 3. | | Development project | | |
| 4. | | Assets management | | |
| 5. | | Investments | | |
| 6. | | Revenue | | |
| Total | | | | |

Mandate of IT Audits

FAO to give the mandate of the IT / IS audits according to the INTOSAI Guidelines 2014.

Objectives and scope

FAO to give objectives and scope of IT / IS audits.

IT / IS audits approach

FAO to identify and comment on various components of information system which includes hardware, software, IT business application/information systems, database management system, operating systems, network and procurement and risks involved.

Audit Team to examine IT governance, IT strategy and planning, standards, policies and processes, organizational structures, human resource, IT security and audit risks in governance.

Audit team to examine information security and elements and environment including Confidentiality, Integrity, Risks, availability and critical controls and all procurements.

Significant Risk Areas

FAO to identify IS / IT risk areas, critical IS / IT controls for each operation separately keeping in view the public reporting, audit findings of previous years and media coverage.

Assess and evaluate internal controls and impact of inefficient and insufficient internal controls on the operational, outcome and results of the organization

The engagement team should follow the IS / IT Auditing standards / Guideline of INTOSAI 2014 and Guideline of Auditor General of Pakistan for conducting the audit of IS / IT system of the auditee.

Impact of Information Systems

For audit engagements where Information Technology is critical to the operations of its business, the Director General/Director, in consultation with the DAG (Audit Policy) and IS specialist, should make an assessment of the nature, timing and extent of IS auditors' involvement in each phase of the audit.

The engagement team may use the *IT Criticality Assessment* form to help determine whether IT / IS is critical to the operations of the entity.

Where the criterion set out above is met, IS incharge or specialists may be involved as early as possible at planning stage to help to obtain understanding of the entity's Information system / technology environment and the IT general controls and applications in place, to be able to evaluate the effectiveness of the Information Systems to address the IT risks, IT controls and consider their implications for our audit.

Information System / IT Audits

Resource Allocation and Scheduling

| Activities of audit | DG / Director Audit party | Person days | TA/DA (Rs 1000) | Start date | End date | % age |
|---|------------------------------|----------------|--------------------|---------------|-------------|-------|
| Audit Planning | | | | | | |
| Audit Execution | | | | | | |
| Audit Supervision | | | | | | |
| Evaluation of audit Findings | | | | | | |
| Reporting to Executive and PAC / DAC | | | | | | |
| Preparation of Draft Audit Report | | | | | | |
| Submission of Report for Quality Control | | | | | | |
| Submission of Report for External Quality Assurance | | | | | | |
| Finalization of Report after QCC and QCR | | | | | | |
| Approval of Report by AGP | | | | | | |
| Printing of Audit Report | | | | | | |
| Submission of Report to the President /Governor | | | | | | |
| Total | | | | | | |

Information System / IT Audits

Summary of IS /IT Audits

Rs. in million

| Sr. No | Name of Auditee | Amount planned for audit | | | | Start date | End date | |
|--------|-----------------|--------------------------|------|-------|---------|------------|----------|-----------------|
| | | Expenditure | | Total | Revenue | | | Total Auditable |
| | | Non Dev. | Dev. | | | | | |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| | Total | | | | | | | |

5. Special Audit Assignments

Special Audit objectives and scope

The Special Audit Assignments are planned in view of the requests of Prime Minister / Chief Minister, various Ministries / Departments and the direction of the Auditor General of Pakistan under Article 169 of the Constitution of Islamic Republic of Pakistan read with Sections 8 and 12, and other relevant provisions of the Auditor General's Ordinance 2001 which require the Auditor General to conduct the audit receipt and expenditure from the Federal / Provincial Consolidated Fund and Public Account.

Audit approach

(FAO to give audit approach)

Reason of Special Audit

Special Audits are assigned by the Auditor General of Pakistan in view of the requests for Special Audit received from the Prime Minister /PAC / Chief Minister or selected by the Auditor General in view of the seriousness of the financial and administration matters of any auditee entities. The special Audit is approved by the Auditor General of Pakistan on the receipt of the request from the authorities as mentioned above. Only the approved Special Audit are included in the Audit Plan.

For each special Audit planned detailed Terms of Reference (TORs) are required to be prepared by the concerned FAO and after obtaining the approval of the Auditor General the Special Audit assignment is carried out under close and comprehensive supervision of DG Audit / Head of the FAO.

(FAO to give reason for conducting each Special Audit Assignments)

1. Entity: (Name of Department)

Functions:

The Department of is responsible for(give in brief introduction and functional activities..... . It hasno of subordinate , attached offices) give in brief functional activities.....)

Financial Outlay of Entity:

(Rs in millions)

| Financial Year | Non-development Expenditure | | Development Expenditure | Total Exp. | Revenue | Total Auditable | Mandays Allocated |
|----------------|-----------------------------|------------|-------------------------|------------|---------|-----------------|-------------------|
| | Salary | Non-Salary | | | | | |
| 2019-20 | | | | | | | |
| 2020-21 | | | | | | | |

Audit Objectives and Significant Risk Areas

Identify risk areas, critical controls and audit objectives for the audit of entity for each audit separately keeping in view the public reporting, media coverage and audit findings of previous years of following audit types:

- Compliance audit
- Performance audit
- IS / IT audit where applicable

| Organization / PAO | Officer/ Audit Party | Auditable Expenditure | Person Days | Start Date | End Date | % age |
|--------------------|----------------------|-----------------------|-------------|------------|----------|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | | | | |

Special Audit Assignments

Resource Allocation and Scheduling

| Activities of audit | DG / Director Audit party | Person days | TA/DA (Rs 1000) | Start date | End date | % age |
|---|------------------------------|----------------|--------------------|---------------|-------------|-------|
| Audit Planning | | | | | | |
| Audit Execution | | | | | | |
| Audit Supervision | | | | | | |
| Evaluation of audit Findings | | | | | | |
| Reporting to Executive and PAC / DAC | | | | | | |
| Preparation of Draft Audit Report | | | | | | |
| Submission of Report for Quality Control | | | | | | |
| Submission of Report for External Quality Assurance | | | | | | |
| Finalization of Report after QCC and QCR | | | | | | |
| Approval of Report by AGP | | | | | | |
| Printing of Audit Report | | | | | | |
| Submission of Report to the President /Governor | | | | | | |
| Total | | | | | | |

Special Audit Assignments

Summary of Special Assignments

Rs in million

| Sr. No | Name of Auditee | Amount planned for audit | | | Start date | End date | |
|--------|-----------------|--------------------------|-----|---------|------------|----------|----------------------|
| | | Expenditure | | Revenue | | | Total Auditable Exp. |
| | | Non-Dev | Dev | | | | |
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| | Total | | | | | | |

SECTION – III
THEMATIC AUDIT

Rationale of Thematic Audits

Thematic Audit is being introduced in Audit year 20210-22 as a new shift and focus after having discussed the idea with different stakeholders like PAC, respective governments and auditee entities. Infact, a need was felt that audit reports of AGP should comment on the different activities of strategic importance and the focus of reports should be shifted from traditional transaction reporting to broader framework of issue based/thematic audits. The idea of Thematic Audit can be seen from two different dimensions. One dimension is that AGP report should highlight and discuss the thematic issues across the sector, entity or government. Whereas the second dimension of such audit should address any specific activity/program/project etc. that are executed and implemented by the auditee organizations for attainment of their strategic objectives and goals. The idea is to achieve the goals of smooth transition to thematic/issue based audit topic in a phased manner, the starting point of which shall be the Audit Reports 2021-22 of the Auditor General of Pakistan.

Planning Framework for Thematic Audit

FAOs to provide a general planning framework of the Directorate General to conduct thematic audits. The framework shall be primarily based on the discussions during the virtual DGs conference on Thematic Audit. (5-7 April 2021).

A. Key Planning Considerations

FAOs to enlist key planning consideration and priorities for thematic audits as suggested under:

- **Mandate and functional jurisdiction of the FAO**
- **Risk profiling**
- **Review of previous audit findings**
- **Stakeholders feedback**
- **Number of thematic audits**
- **Partner FAOs (if any)**
- **Etc.**

B. Criteria for Selection of Thematic Audit Topics

FAOs to employ following suggested criteria for selecting audit themes:

- **Functional jurisdiction of the Directorate General**
- **Issues related to SDGs (directly linked to various targets and achievements of SDGs)**
- **Areas of governmental priorities**
- **Priority areas of multilateral/bilateral agencies**
- **Issues of public importance**
- **Currency**
- **Audit Impact**
- **Any other**

C. Audit Themes of the Directorate General for the year 2021-22

FAOs to enlist the selected themes: (number of themes may vary from 2-5, however practicability of the execution strategy to be essentially considered). FAO has to fill these themes in order of priority. The themes will be shortlisted/finalized by the respective DAG's.

1. -----
2. -----
3. -----
4. -----
5. -----

D. Profiling of Themes Against Criteria

(A suggestive illustration is as under)

| S. No. | THEMES | INDICATORS | | | | | | |
|--------|--------|-------------------------|---------|-----------------|-----------------------|-------------------|----------|-----------------------|
| | | Functional Jurisdiction | | Related to SDGs | Government Priorities | Public Importance | Currency | Expected Audit Impact |
| | | Full | Partial | | | | | |
| 1. | | | | | | | | |
| 2. | | | | | | | | |

Note:FAOs may add any other relevant criteria.

E. SCQ Analysis

(FAOs may do SCQ Analysis (if required) for Identification of Thematic Audit Topics)

| | |
|---------------------|--|
| Situation | |
| Complication | |
| Question | |

F. Relevance of Themes/Topics to Sustainable Development Goals:

(A suggestive illustration is as under)

| S. No. | THEME | SDG GOAL | SDG TARGET |
|--------|-------|----------|------------|
| | | | |

| | | | |
|----|--|--|--|
| 1. | | | |
| 2. | | | |

Note:FAOs may relate the relevance of the selected themes in any other way based on strategic and policy level interventions, policies, MTBF/Budget or any other yardstick.

G. Relevance of Themes/Topics to National SDGs Framework of Pakistan:

(Suggestive illustration is as under)

| Sr. No. | Category | National Prioritized Goals/SDGs as per SDGs Framework of Pakistan - 2018 | National Prioritized Goals Relevant to the Selected Themes |
|---------|--|--|--|
| 1. | <u>Category I</u> (goals requiring immediate attention and can be achieved in short run) | | |
| 2. | <u>Category II</u> (goals requiring longer timeframes) | | |
| 3. | <u>Category III</u> (goals having long gestation period requiring institutional reforms) | | |

Note: FAOs can relate the relevance of the selected themes to the national strategies, plans, goals and priorities etc as per their functional mandate. More relevant and overarching policy documents such as Pakistan Vision 2025, PSDP, ADP portfolio, MTBF and MTDf should also be considered for creating linkages of the themes.

H. Planning matrix:

(To be given on the following lines)

| Sr. No | Theme | Sub-Themes/Areas | Auditee entities | Partner FAOs (if any) and monitoring mechanism |
|--------|-------|------------------|------------------|--|
| 1. | | | | |
| 2. | | | | |

I. TORs of the Thematic Audits:

(Detailed TORs of each thematic audit to be given. ToRs should include introduction of the theme, audit objective, specific ToRs/scope/audit questions and details of auditee entities and partner FAOs).

- ToRs for Theme-1
- ToRs for Theme-2
- ToRs for Theme -----

J. Resource Allocation and Scheduling

| Activities of audit | DG / Director Audit party | Person days | TA/DA (Rs 1000) | Start date | End date | % age |
|--|---------------------------|-------------|-----------------|------------|----------|-------|
| Audit Planning | | | | | | |
| Audit Execution | | | | | | |
| Audit Supervision | | | | | | |
| Evaluation of audit Findings | | | | | | |
| Reporting to Executive and PAC / DAC | | | | | | |
| Preparation of Draft Audit Report | | | | | | |
| Submission of Report for Quality Control | | | | | | |
| Submission of Report | | | | | | |

| | | | | | | |
|---|--|--|--|--|--|--|
| for External Quality Assurance | | | | | | |
| Finalization of Report after QCC and QCR | | | | | | |
| Approval of Report by AGP | | | | | | |
| Printing of Audit Report | | | | | | |
| Submission of Report to the President /Governor | | | | | | |
| Total | | | | | | |

Summary of Thematic Audits

| Sr. No | Theme | Objectives & Scope | Audit Start date | End date | % age |
|--------|-------|--------------------|------------------|----------|-------|
| | | | | | |
| | | | | | |
| | | | | | |

Summary of All Types of Audits Plan (Year) At a Glance

| Type of Audit | No. of Audit Formations | Planned Amount(Total) | Planned Mandays |
|---------------------------|-------------------------|-----------------------|-----------------|
| Financial Attest | | | |
| Compliance | | | |
| Performance | | | |
| Information system | | | |
| Special Audit | | | |
| Special Assignment | | | |
| Others | | | |
| Total | | | |

Follow Up (Year)

Objectives

The FAO is required to follow up activities of audit to ensure that:

1. All directives of DAC have been incorporated in the audit paras, compliance of the departments / auditee or otherwise included in the final audit paras to be finalized for printing in the audit report.
2. The response of the executive / PAO received and verified by audit before DAC meetings and incorporated in the paras. In case of incorrect and misleading replies of the PAO audit rebottle and correct statement is recorded in the paras.

Methodology

Action plan on the PAC/DAC directives will be obtained from the PAOs/executive heads and follow up visits will be planned on quarterly basis. During follow up visits the work will be planned to achieve either;

Audit level of assurance

Conduct an audit (detailed verification of records) to determine;

how well recommendations have been implemented, and

if the recommendations were effective in strengthening internal control, reducing compliance with authority violations, etc.; or

Review level of assurance

Review the remedial measures taken by entity after the recommendation of the audit.

Compliance of PAC directives

To ensure that all directives of PAC in the audit paras have been complied, compliance of the departments / auditee or otherwise included in the in the working papers.

The response of the executive / PAO received to the PAC directives and verified by audit before PAC meetings and incorporated in the working papers. In case of incorrect and misleading replies of the PAO audit rebottle and correct statement is recorded in the papers. Audit Follow up (Year)

Resource Allocation and Scheduling
 (Rs. In thousands)

| Activity | Person Days Allocated | TA/DA |
|--|-----------------------|-------|
| Follow up planning | | |
| Execution | | |
| Reporting to the Executive and PAC. | | |
| DAC/ PAC meetings | | |
| TOTAL | | |

SECTION – IV
MATCHING RESOURCES

Audit Teams Configuration

| S/No. | Audit Team | Assignment | Name | Designation | Qualifications | Past Experience | Remarks |
|-------|------------|------------|------|-------------|----------------|-----------------|---------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Total Allocation of Resources

| Post / BPS | Planning | Execution | Supervision | Report | PAC/DAC/OAGP Meetings | Follow up | Training | Admin/Coord. | Contingency | Person Days | | |
|-------------|----------|-----------|-------------|--------|-----------------------|-----------|----------|--------------|-------------|-------------|----------|---------------|
| | | | | | | | | | | Allocated | Utilized | % Utilization |
| DG /20 | | | | | | | | | | | | |
| Director/19 | | | | | | | | | | | | |
| DD/18 | | | | | | | | | | | | |
| AO/18 | | | | | | | | | | | | |
| AD/17 | | | | | | | | | | | | |
| AAO/17 | | | | | | | | | | | | |
| SAs/11 | | | | | | | | | | | | |
| JAs/ 5 | | | | | | | | | | | | |
| N/Q | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | |

- NOTE**
- (1) Contingency Human Resources should not exceed the fixed standard of 2-5% of the total resource.
 - (2) Training should remain within the average limit of 2-4% of the total resources.
 - (3) Utilization of resources by DG Audit, Director, Deputy Director should be clearly defined.

Total Activity-wise Resource Allocation

| Sl. No. | Audit Types | Person-days | | Financial Resources (Rs in thousand) | |
|---------|---------------------------------------|-------------|----------------|---|----------------|
| | | Allocated | % age of Total | Allocated | % age of Total |
| 1. | Financial Attest Audits | | | | |
| 2. | Compliance Audits | | | | |
| 3. | Performance Audits | | | | |
| 4. | IS / IT Audit | | | | |
| 5. | Special Audit | | | | |
| 6. | Other Audits | | | | |
| 7. | PAC/DAC/OAGP Meetings | | | | |
| 8. | Audit Follow up | | | | |
| 9. | Other Audit Related Activities | | | | |
| | Total | | | | |

NOTE;

1. The expenditure on all activities including audit should not exceed the total budget of the FAO.
2. No further funds will be provided.

SECTION – V
ANNEXURE

Annexure-No.

Organization Chart

FAO to give organization chart of Directorate General Audit

Annexure-No.

Organizational Human Resources

| Post/BPS | Sanctioned Strength | Available Strength | | | | Total Available Strength | Available Person-days (p.a) | Surplus/ Shortage (Strength) |
|---------------|---------------------|--------------------|------------|------------|------------|--------------------------|-----------------------------|------------------------------|
| | | Location 1 | Location 2 | Location 3 | Location 4 | | | |
| DG – 20 | | | | | | | | |
| Director – 19 | | | | | | | | |
| DD – 18 | | | | | | | | |
| AD – 17 | | | | | | | | |
| AO – 18 | | | | | | | | |
| AAO – 17 | | | | | | | | |

| | | | | | | | | |
|--------------|--|--|--|--|--|--|--|--|
| SAs – 11 | | | | | | | | |
| JAs – | | | | | | | | |
| Stenographer | | | | | | | | |
| Drivers | | | | | | | | |
| N/Q | | | | | | | | |
| TOTAL | | | | | | | | |

Annexure-No.

Academic Strength of Human Resource

SAI personnel should possess suitable academic qualifications and be equipped with appropriate training and experience. The SAI should establish, and regularly review, minimum educational requirements for the appointment of auditors. (ISSAI 200 para 1.4)

| Post/BPS | Total Available Strength | ACMA/ CIMA | CA/ ACCA/ CPA | MBA Finance / M. Com/M.Sc. Accounting | MBA IT/ MCS/ BCS | MSc / MA (others) | LLB | ITP | CIA | CISA | Other accounting certifications (e.g PIPFA) |
|----------------------|--------------------------|---------------|---------------------|--|------------------------|----------------------|-----|-----|-----|------|---|
| DG – 20 | | | | | | | | | | | |
| Director – 19 | | | | | | | | | | | |
| DD – 18 | | | | | | | | | | | |

| | | | | | | | | | | | |
|-----------------|--|--|--|--|--|--|--|--|--|--|--|
| AD – 17 | | | | | | | | | | | |
| AO – 18 | | | | | | | | | | | |
| AAO – 17 | | | | | | | | | | | |
| SAs – 16 | | | | | | | | | | | |
| JAs- | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

Annexure-No.

Academic Strength of Human Resource

SAI personnel should possess suitable academic qualifications and be equipped with appropriate training and experience. The SAI should establish, and regularly review, minimum educational requirements for the appointment of auditors. (ISSAI 200 para 1.4)

| Post/BPS | Total Available Strength | ACMA/ CIMA | CA/ ACCA/ CPA | MBA Finance / M. Com/M.Sc. Accounting | MBA IT/ MCS/ BCS | MSc / MA (others) | LLB | ITP | CIA | CISA | Other accounting certifications (e.g PIPFA) |
|----------------------|--------------------------|------------|---------------|---------------------------------------|------------------|-------------------|-----|-----|-----|------|---|
| DG – 20 | | | | | | | | | | | |
| Director – 19 | | | | | | | | | | | |
| DD – 18 | | | | | | | | | | | |

| | | | | | | | | | | | |
|-----------------|--|--|--|--|--|--|--|--|--|--|--|
| AD – 17 | | | | | | | | | | | |
| AO – 18 | | | | | | | | | | | |
| AAO – 17 | | | | | | | | | | | |
| SAs – 16 | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | |

NOTE; Director General Audit should provide the utilization of each and every officer BS-20 to BS-16 in view of qualification for different types of audits.

Annexure-No.

Skill Deficit and Areas Requiring Development

| S. No. | Areas of Skill Deficit | Explanation | Strategy to Address Risk and HRD | Key Indicator (BPS wise training targets) |
|--------|------------------------|-------------|----------------------------------|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |

Annexure-No.

Training Courses Required For Current Year Plan

| S. No. | Course Planned | Course Objective | Instructor/ Facility | Date of Courses | Participants | |
|--------|----------------|------------------|-------------------------|-----------------|--------------|-----|
| | | | | | BPS | No. |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |